SEOBOOK

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Google AdWords & Yahoo! PPC Tips

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Search Engine Optimization Book

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Table of Contents

This is a free excerpt of the SEO Book covering the pay per click search engine market.

The entire SEO Book covers many other search engine marketing strategies such as:

- **Keyword research**
- **Choosing a domain name**
- **Placing keywords in your page copy**
- **Website submission**
- **Link building**
- **Effectively using SEO tools**
- **Tracking your progress**
- **and many other topics…**

Go to SEO Book.com to get your full copy of The SEO Book today.

This chapter is essentially the same as the PPC chapter of The SEO Book. The one major difference between the two is that this guide has a couple affiliate links in it to cover some of the costs of formatting, updating, and giving away this information. The SEO Book does not have affiliate links in it, although the same tools and services are recommended in both documents.

Chapter

1

Pay Per Click

Pay per click search engines can give you instant traffic and allow you to test new business models in real time. The pay per click market is competitive though. It is worth spending an extensive period of time learning how to write and target ads, tracking your competitors, and doing deep keyword research before jumping in.

Before You Start

Metrics Based Marketing:

PPC search engines provide a highly trackable marketing medium. Frequently people begin marketing without any idea as to the approximate value of a click. If you do not set up a value range and track the results you have no way to distinguish good marketing from bad marketing.

To know the value of a click, you need to decide what the goal of your marketing is. If you are just branding, then you should expect to lose money to gain mindshare or reinforce your brand, and tracking may not be that important. If you are using pay-per-click search engines for direct product marketing, you need to know how much each click is worth.

Typical Conversion Rates:

Lead generation sites typically have a conversion rate around 10 to 12%, but can go as high as 30% + if they are properly targeted and exceptionally appealing to visitors.

Since little investment is needed to arrive at your website and many other sites are just a click away, selling stuff on the web has a conversion rate similar to direct mail advertising. High ticket items have a lower conversion rate and unique cheap items tend to have higher conversion rates. Many stores find typical conversion rates might be anywhere from .3 to 5%.

Doing the Math:

There are a ton of factors that go into click price. It is somewhat hard to measure branding, but ad distribution can help with that. Most other things are tangible.

If you know your average order size, profit per order, and estimated conversion rate you can get a good idea what clicks are worth. Some people also factor in lifetime

value of a customer, but it is harder to measure and there is still enough opportunity in many markets to do your math primarily based on direct return.

Before You Start:

It is a good idea to look at the various ads which are displayed in which order over time. The top guy might be an idiot losing tons of money or a person who is paying an extreme premium for branding.

If ads from affiliate marketers or smaller sites are ranking around the same ad position over the course of a few weeks to a month then they are probably doing something right (generating profits). It is worth it to take a couple weeks to do deep keyword research and market analysis before jumping into pay per click search engine marketing.

You Will Lose Money:

Most clicks end up being failures. Even if you have a 30% conversion rate that means that 7 out of 10 clicks did nothing for you. When you dip your toes into the pay per click market there stands a good chance you will lose money before you start making money. The main reasons are:

- **You need to learn how the systems work**, learning:
    - what terms are important and what ones are not.
    - how to target the ads
    - how to write the ad copy
    - how to bid
    - where to rank
    - what terms are overpriced
- You are competing against the best accounts.
    - Some competing advertisers may have other intangible assets which give them an unfair advantage.
    - If you are brand new your competitors have more experience than you do.
    - Some ad campaigns have been fine tuned for months or years.
    - Search engines are building trust factors into ad accounts. Some advertisers may get quality boosts and cheaper ads just for being long-term advertisers.

Search engines try to sell the concept of pay per click marketing saying that it is so targeted that everyone makes money, but in the real world that is not how things

work. Some markets are competitive and will require learning, sound strategy, and tracking to generate profits.

Why Pay Per Click is Important:

I was working to raise the rankings of one client for a few competitive phrases. It was taking a decent investment in time and money. I then started a pay per click campaign to test a ton of terms. As it turns out the conversion rate for the words we thought we needed were not great. There were a couple other terms with lower search frequency and less competition which converted exceptionally well.

Had we not done pay per click marketing we may have never properly focused our SEO efforts. In less than a month on about $300 we increased the productivity of the site ten fold.

The only way to be certain of anything in marketing is to test it. Pay per click marketing allows you to test real time with the fastest feedback loop of any marketing medium in the world.

What is Pay Per Click?

In 1998 Overture pioneered the idea of selling search ads. You could buy search results for as low as a penny or two per click. This system has quickly evolved into one of the worlds most competitive marketplaces.

Why Use Pay Per Click?

Sometime you can not afford to...or simply do not want to wait. Pay per click search engines allow you to list atop search results quickly. This will allow you to:

- Prototype ideas to track demand before you invest into a new business model or are stuck footing the bill for a new site.
- Quickly gather feedback on market conditions.
- Split test to a live audience and gather results in real time.

You can use Google AdWords to offer a free white paper about some topic from a one page website. If nobody is interested in downloading your white paper or you can not seem to get enough clickthroughs then odds are:

- the market is not yet ready for your product
- or you are marketing it from the wrong angle
- or you are marketing it to the wrong people

Who Should I Trust in Pay Per Click?

There are a few major players in the pay per click arena. Overture (as of writing this) currently has network partnerships that span Yahoo!, InfoSpace, AltaVista,

AllTheWeb and many other partners. Google AdWords has a larger distribution network across Google, AOL, About, Earthlink, and many others sites...even a few of my own. Microsoft is a new player in the market, but their limited syndication network means their traffic quality is high.

For the sake of this report I am only going to cover Google AdWords, Yahoo! Search Marketing, and Microsoft AdCenter.

Amazon.com allows you to advertise contextual ads on their site via ClickRiver. There are also a few other pay per click search engines (Ask, Business.com, Miva, Kanoodle, Enhance Interactive, 7Search, Findology, Search123, Epilot) that may be well worth a look **after** trying Google, Yahoo! and MSN. While beginning pay-per-click advertising, I would recommend **only using Google AdWords, Yahoo! Search Marketing, and Microsoft AdCenter**.

Why Use Large Pay Per Click Search Engines?

When you use large pay per click search engines you guarantee you are getting at least some good traffic, and that your business model is scalable.

Smaller engines provide slower feedback loops, and some may not even provide quality traffic.

- The results will be scaleable.
- The feedback will be quicker.
- They offer many great tracking and targeting features free.
- Larger pay-per-click search engines generally present higher quality traffic and are less susceptible to fraud.
- It is less complex managing two or three accounts versus 100 accounts.
- It's easier to track the ROI on 2 accounts than on 100 accounts.
- Many of the extremely small search engines **never have real traffic**. You are wasting your time registering with them.
- Even some of the better second tier search engines may waste a big hunk of change. In early November 2004 I tried using LookSmart. It sent me twice the traffic as Yahoo! Search Marketing and traffic from LookSmart had a 95% bounce rate. That means that 19 of 20 site visitors from LookSmart immediately left and **I paid for garbage traffic**. The quality of traffic from smaller engines will vary from term to term, but its best to go with the biggest guys off the start, and then, if you have spare time, try some of the smaller engines.

Case Study: the Ignorant Bidder

If a term does not convert well for you then it may not be worth it to rank near the top for that term.

Not too long ago a person was bidding on an eBay ad for "SEO Book" at over $1 a click. Assuming I can get a 1.5% conversion rate I can afford to pay that much, but this person was just throwing away their money.

Just to test the waters I placed my ebook on eBay and it did not go for anywhere near what I usually sell them for.

I find it hard to believe the person who was bidding a dollar a click was making any money. They later lowered that bid to 21 cents. In some markets there will be dumb companies that rotate in, lose money, and then go bankrupt. By the time they go bankrupt others may soon take their money wasting market position.

Some terms are not worth buying at the price the keywords go for. And if they are valuable they may have more value at a lower position.

Landing Page Tips:

Conversion is a large part of how successful a pay per click campaign is. A few tips to improve landing pages:

- **Remove navigation:** unless it is necessary remove other options. Let people do what you want them to do, and don't give them many other options.

- **Make link text appealing:** people tend to glance over copy instead of deeply reading every word. Since links are action points people tend to pay more attention to link text. Make sure link text is appealing since it is far more likely to get read than most of the page copy.

- **Give them a clue they have found the correct page:** Place the words they searched for in large text at the top of the page to show them they are in the right location. If you are a large merchant with many products maybe use something like 'search results for: *their search term*'. Typically it is best to point people at a landing page instead of the home page.

- **Other ideas:** some of the other concepts listed throughout this ebook (such as using short paragraphs and concise subheaders) also apply to landing pages. Corey Rudl constantly retested his landing pages. You can learn a good amount by seeing how he changed his landing pages over time, by looking through how they changed in Archive.org. MarketingSherpa also has a landing page handbook for sale.

Yahoo! Search Marketing

YAHOO! SEARCH MARKETING overture

Yahoo! Search Marketing was formerly named Overture.

How Does Yahoo! Search Marketing Work?

Yahoo! Search Marketing is a large pay-per-click search provider. You write ads for your web site, and they appear in the search results and content sites with ads delivered by YSM. Before the end of 2006 most keywords were editorially reviewed prior to appearing in search results, but with the launch of their long awaited Panama platform most keywords are automatically approved and running within a couple minutes.

YSM Stemming

YSM also truncates search terms for ad targeting, so *book* and *books* are treated as though they are the same keyword phrase.

YSM Advanced vs Standard Match

YSM typically places standard match listings above advanced match listings if the advanced match listings are not as close of a match as the standard match. This means that if you bid on the exact term that someone is searching for you, will rank above ads that are matched via broader matching options.

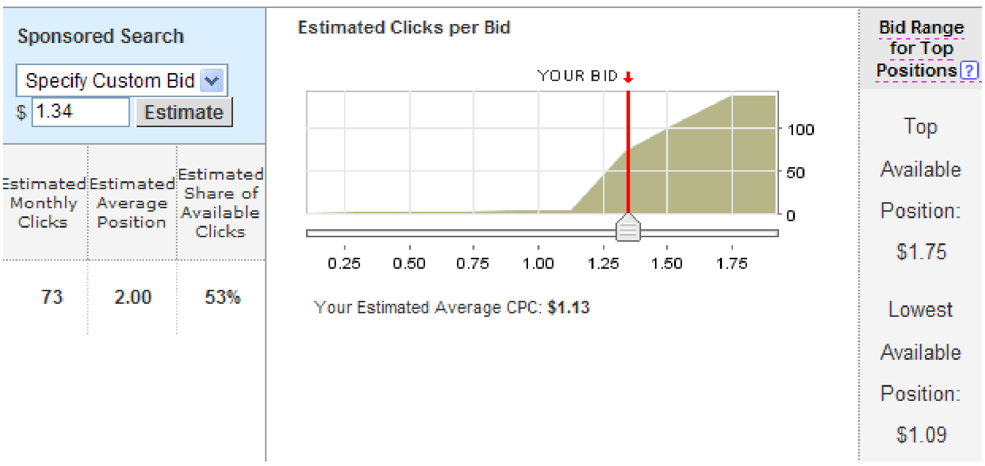
If you bid ten cents for *best seo book* and someone else bids 25 cents for *seo books* your *best seo book* ad will show above theirs if someone is searching for *best seo book*.

At the end of 2006 Yahoo! aimed to make their platform less transparent, so how they mix matching types may change over time.

YSM Bid Prices versus Click Costs

With YSM, you pick a maximum bid price and your bid will never exceed that. Their software has a bid discounter built in, so oftentimes your average bid cost may be less than your bid prices.

Prior to the end of 2006 YSM bid prices were transparent, which meant you could usually see exactly what your competitors were bidding at any given time. With the launch of the Panama platform Yahoo! no longer shows exact bid prices but bid ranges, estimated clicks, and estimated share of clicks.



Please note that their estimates are just estimates, and that by adjusting your ad copy relevancy and appeal you can drastically alter your click costs and traffic volumes.

- If you use appealing ad copy an ad at position number 2 or 3 may get more clicks than an ad at position number 1.
- Relevant ads that get clicked often are given a higher quality score. Ads with a higher quality score are given a discount for their relevancy, since search engines make more when searchers click on more ads.

Bid Jamming

Once the new Panama system is live bid jamming may no longer be possible, but this explains how the process worked.

In some niche markets, there will only be a couple people who place exceptional value on ultra-qualified leads. For example, a Chicago DUI attorney may bid much higher for the term *Chicago DUI attorney* than a general nationwide firm would. If there are only a couple competitors in a market, it is not uncommon for the top few bids to be $5 or $10 while the rest of them are around 25 cents or less.

For example, if they bid $10, you can bid a max bid of $9.99. If the third placed person is only bidding 25 cents, your clicks will cost you 26 cents each while ensuring your competitor pays a full $10 per click.

Of course you want to monitor your accounts closely if you are using aggressive bidding techniques or bid jamming people. Some competitors will be stupid and let you take their lunch money. Others may be smart and readjust their bids to bid jam you. Some will go so far as click fraud, so you need to watch your account closely if you are bidding aggressively in competitive markets.

By default, ads are widely matched and syndicated to the content network, so if you bid high on the search network make sure you check the content network ads and bid lower on those. It doesn't take too many $10 content clicks to come in to make for a bad day.

YSM Programs:

YSM offers a $10 bid bonus when you open an account, but has a $5 startup fee (which is converted to click credit), and it has no monthly minimum spend. They also have a FastTrack program where their account representatives will set up your account for a one time $199 fee. I recommend taking the time to set up your own account. You know your products better and are more interested in your own success than some random YSM editor is, they are more interesting in ensuring you spend as much as you are willing to.

YSM offers a local product called Local Match, which allows you to target your ads from a .5 to 100 mile radius of your business location. The Local Match product requires that you have a business with a physical address, but it does not require a

website. These ads give driving directions to your place of business. Local Match ads show up in the same location where other YSM ads appear.

YSM also offers a paid inclusion program by the name of Search Submit Express (which I generally consider a waste of money for most websites). Search Submit Express gives your sites 48 hour refresh throughout the Yahoo! powered search products. SSE is a one time $49 review fee and also has an **incremental cost per click**. SSE is good for sites which:

- are rapidly changing
- or are having dynamic indexing problems
- or need indexed quickly
- or need the associated tracking offered by Search Submit Express

Free Yahoo! Search Marketing Tools:

Yahoo! offers a suite of tools to help their advertisers set up their accounts.

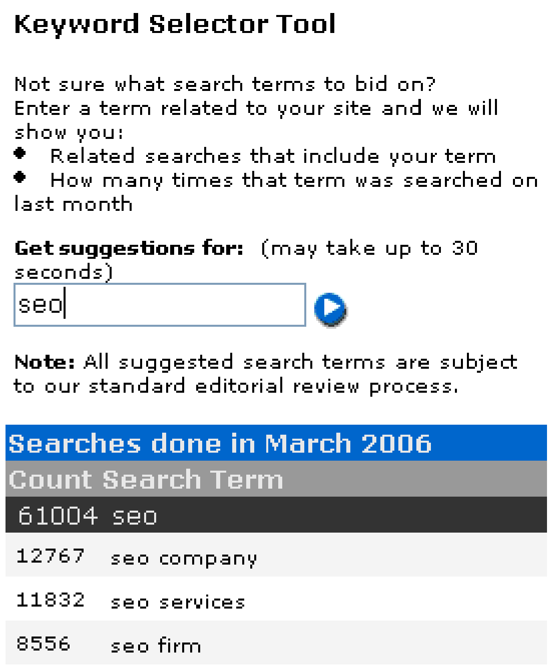
- **SEO Book Keyword Research Tool:** cross references the Yahoo! Search Term Suggestion Tool, all the Google keyword research tools, and many other keyword tools (http://tools.seobook.com/general/keyword/)
- **Yahoo! Search Term Suggestion Tool:** shows the frequency of searches across the YSM network for the prior month (http://inventory.overture.com/d/searchinventory/suggestion/)
- **Yahoo! View Bid Tool:** shows the highest bidders for a specific search term. Please note this tool will be shut down in December of 2006. (http://uv.bidtool.overture.com/d/search/tools/bidtool/?Keywords=casino&mkt=us&lang=en_US)

- **Yahoo! Advertiser Workbook:** free downloadable e-book released by Yahoo! to help you get the most out of your YSM campaign
- **Yahoo! Panama Preview:** Video previewing the new Panama platform. http://searchmarketing.yahoo.com/rc/srch/tu_htnya.php

YSM Search Term Suggestion Tool Errors:

YSM truncates their search terms. While the plural and singular versions of search terms will greatly differ in search volume YSM just lumps them together.

Please note that the Yahoo! search term suggestion tool tends to run high on highly commercial terms since many automated bots and bid managers scour through their partner network. Here is an example keyword research search for S.E.O.



WordTracker tracks click data from the meta search engines by the name of Dogpile and WebCrawler. Since WordTracker makes their money by selling data versus clicks you can usually expect more legitimate traffic measurements using WordTracker. Digital Point created a free keyword suggestion tool which compares both traffic estimates.

KeywordDiscovery.com and GoodKeywords.com are two additional useful keyword research resources.

When doing pay per click advertising deep keyword research is a fundamental part of most successful campaigns. Many of the keyword research tools are top heavy (only showing the most common terms), but Yahoo! and Google both have enough traffic to give deep keyword research results. WordTracker has a few cool features called lateral search and thesaurus which help you find similar keywords. I tested many of the keyword research tools and WordTracker is generally the only traditional keyword research tool I feel is worth paying an ongoing subscription for.

Another option to finding deep keyword data is to run a broad matched Google AdWords ad (AdWords and matching options are discussed later in this chapter) and mine keyword data from the referral strings. Make sure you watch your budget closely and use negative terms to filter unwanted traffic if you use this technique.

Ad Optimization, Tracking URLs, & Conversion Tracking:

Many pay per click providers offer services which at a glance seem as though they are valuable, but they may end up costing you to use them in the long run.

Something as simple as tracking URLs seems useful, but if you use the built in conversion tracking software you may be cause for your own ad prices increasing.

The internal Yahoo! ad optimization tool optimizes your ads for clickthrough rate (and thus Yahoo! ad relevancy and earnings). When you optimize for search engine earnings, that optimization may be at your own expense.

Ad Syndication & the *Trusted* Feed:

Many pay per click search engines syndicate their ads out to other search engines and contextual ad networks. Yahoo! has two syndication types, search and content match. Content match ads place your ads on content websites. Search ads place your ads on search sites, and sites which obtained a trusted feed from Yahoo!.

If you are in an expensive niche it is important to track your click sources and click quality because many search arbitrage players will target your keywords and your industry. You can't opt out of trusted partner keyword feeds without opting out of Yahoo! Search, but in some cases that means you have to opt out of Yahoo! altogether if you are concerned about your ROI.

The Keys to Doing Well on Yahoo! Search Marketing:

Ensure you target your keywords properly and do not get in bidding wars. Do not bid high prices for exceptionally broad or generic phrases.

Your standard match listings will still compete against advanced match listings, but if you make a list of targeted phrases then you will not likely pay for as many untargeted clicks as a person bidding for more generic phrases. If you use somewhat generic phrases you will want to make sure you use negative words to block terms you are not interested in.

A few good examples of common negative terms to block are 'cracks' and 'free'. People looking for free stuff are typically poor leads for most businesses.

Keyword tip: Spammed Out Guestbooks some guestbooks which have been spammed by aggressive competitors may help you find many keyword variations. Keyword tools may help you find about 500 keywords, but the guestbooks sometimes may yield over 5,000.

This free tool (web based) or this free tool (downloadable software) or this $50 tool (downloadable software) will help you create a ton of keywords based on different keyword groupings. Using that tool will allow you to quickly create hundreds or thousands of relevant exact match terms. This is the tool I use to make up my extended keyword lists after I have already done primary keyword research. Microsoft Excel also has a similar feature.

Some of YSM's partners cut the ad text short so you will want to include your most important words near the beginning of the ad title and ad description.

YSM now factors click-through rate and keyword relevancy into click cost. A high click-through rate may lower click costs substantially, but make sure your ad copy and keyword selection still pre-qualify searchers. Write ads for conversions instead of just clicks. If you are trying to sell bulk stuff at wholesale, do not be afraid to use the word *wholesale* in the title AND place prices in the ad text.

PPC vs SEO in Small Paid Niches:

The more expensive the associated PPC ads are the more value there is in performing SEO on a site in a paid niche. If the average cost per click is $5 then a $1,000 SEO campaign pays for itself after only a few hundred targeted visitors.

YSM tends to be a bit sloppier than Google at monetizing niche advertisements. Google has a larger advertiser base and props up the ad costs using something they call quality based minimum bids.

If you are unsure whether an SEO campaign would justify its fees you can run a test PPC account to see what type of demand there is in your target market.

Ad Writing Tips

There are many subtle hints to doing pay per click advertising correctly. A small change in conversion rate can make a huge difference once scaled out across the entire web. A marginal loss that turns into a marginal profit can become an automated revenue stream if you write and target your ads to convert better.

English to English Conversion

I went to the UK and realized just how different the versions of English are around the world. If you are targeting a specific region or country make sure your ads and website make sense to locals using words and phrases that make sense in their dialect.

Use Specific Words!

Choosing a keyword for pay per click ads is similar to choosing a keyword for search engine optimization. You do not want generic terms. Frequently single word terms bring so many competitor clicks, compulsive clicks, untargeted prospects and fraudulent clicks that it is hard to justify buying them. Single words are usually poorly targeted AND more expensive. If you get into bidding wars over general terms you are playing the game all wrong. Actually, the game is playing you.

Do Not Follow the Crowd:

Bid prices may not be justified where they are. Many times people feel they need to have certain terms. Without tracking them, these people lose money and do not know why they are losing.

Sometimes people chase a few core terms, which give them an inflated artificial value. If you try to do exactly what the other ads are doing you may fail. In many markets the top listed ad is losing money on each and every click.

When Following the Crowd

There are numerous tools which will show you some of the terms competing sites are bidding on. KeyCompete.com allows you to access a list of many of a competitor's ads for as little as $5, and SpyFu currently offers free trials.

Just because a competitor bids on a term it does not mean that there is traffic or that the term is commercially viable, but competitors can help give you many keyword and content ideas.

Use Creativity to Lower Cost and Increase Conversion Rates:

Keyword Selection:

Think creatively. Try to imagine what your customers may type into the search engine to find what you are selling. You may even want to bid on terms which exist in a question format. Think of your target audience. Maybe these terms are problems that people have. Perhaps these people do not even know your product exists.

Writing Headlines:

Some of the most competitive ads in the world are magazine covers in a checkout isle. You may want to glance through a few magazines covers and table of contents to find ways to write headlines and ads that pull sales.

Place Keywords in Your Ads:

Many search engines highlight the words in ads that match the users query. Placing the search term in the ad will help your ad stick out more and improve your click through rate.

Bid on Current Events & Buzz Words:

My cheapest and highest converting ads are frequently ads for industry buzz words that nobody else bid on. The phrase "Nigritude Ultramarine" (a made up phrase from an S.E.O. competition) has sold multiple copies of this e-book. In addition it has introduced hundreds of visitors to my site at 8 cents per click.

If you are the first person to bid on a popular topic you can get many under-priced leads.

Start with a Verb:

You may be able to significantly increase your clickthrough rate if you start your ad copy with a powerful active verb.

Additional Conversion Tips:

Trying to rank #1 may cause bidding wars with ego bidders. Listing a bit lower may improve the return on investment since you have fewer compulsive clickers and a lower bid price. In addition, as people scroll down the ad list, they do a better job of showing intent. They *pre-qualify* themselves for the purchase.

If you make the ads sound compelling to the reader, you can improve your click-through rate to where you get more conversions than the #1 ad. Show benefits or offer a unique solution to their problems.

Link to a Landing Page:

Link to the exact page you want visitors to see, not to your home page. You may even consider adding a special page to your site that is made exclusively for that pay-per-click program.

By channeling all your traffic through the home page, you may be telling a person that you do not care about them, and you make it harder for them to buy. In an efficient market the merchants who remove the most friction will be the ones with profit margins and sustainable business models.

Exact vs. Broad Matching (explained further in AdWords section):

Many search engines use different matching levels which to filter ad targeting.

Exact match will only show for search results where the user searched specifically for your keyword phrase, **and only your keyword phrase**.

Phrase match will show when your exact phrase appears anywhere within the search query with the words in the same order.

Google and Yahoo! may show broad match ads when people search for synonyms of your keywords, or if your broad match keywords appear in the search in any order your ads will display.

If you are new to pay per click you may want to use exact match until you get a feel for pay per click advertising, unless you are using broad match for keyword mining.

Misspelled Words:

Spelling errors are sometimes corrected for by the search matching software, but sometimes they are not. Bidding on keywords ran together, words with missed keys, and other spelling errors can help generate many cheap keyword variations. This free tool makes generating a list of misspelled terms quick and easy.

Make sure you do not place the misspellings in your ad copy as search engines do not want misspelled ads. It is usually best to put misspelled words in their own ad campaign separate from your other ad campaigns.

Search & the Buying Cycle:

Many people perform multiple searches prior to purchase. Typically early searches tend to search for generic phrases, and as people get closer to determining what they want to buy they search for brand names (or brand name + product) more frequently.

It may be harder to determine the ROI on the more generic terms than on well branded terms as the branded clicks typically fall closer to the purchase date.

Editing Ads:

Many search engines will display ads before they have had editorial approval. If you consistently break their rules they may no longer want to do business with you, but sometimes it makes sense to test where the limits are.

Knowing that Google shows some ads before they are reviewed by humans means that Friday evening would be a good time to run aggressive ads since they might be displayed all weekend before they are reviewed.

Once Yahoo! has accepted a keyword you can try to rewrite new ad copy that is a bit more aggressive. If they do not accept your new ad copy your old listing with your old ad copy should typically still remain.

Customer Tracking and Bid Management

How Tracking Works

If you are paying by the click, you need to know what those clicks are doing. From the second they click until they leave or purchase.

If your server is already equipped with great tracking software it is easy to add a tracking tag on the back of your ads. Instead of your Yahoo! listing going to http://www.domain.com/salespage.html, have it go to http://www.domain.com/salespage.html?source=y+ad=6+keyword=fred.

Tracking Software

My favorite log file analyzer is ClickTracks. It displays the web page in a viewable browser highlighting the click ratio for each of the links. ClickTracks also allows you to set up custom tracking tags to view traffic through different visitor paths. While the software is expensive to some at $500, it is a steal for some larger commercial web sites. ClickTracks also offers a hosted tracking solution.

Some other popular conversion tracking software options are Keyword Max, IndexTools, and WebSideStory. If you are working with an exceptionally large account, you may also want to try Efficient Frontier or Omniture.

ConversionRuler is inexpensive, suitable software if you are primarily concerned with tracking pay-per-click results. ConversionRuler starts out around $20 a month. Yahoo! and Google also provide built-in conversion tracking software which they provide free.

There are also free tracking services such as eXTReMe Tracking and SiteMeter if you want to access referrer stats easily, but I would not recommend using them for tracking any of your pay-per-click statistics.

If you are a heavy spender on pay-per-click, you will most likely want to use bid management software.

Google Analytics

Google also created a free, cross-platform conversion tracking tool which comes with their AdWords product. It works for tracking e-mail ads, banner ads, and various PPC search engine ads.

On top of the free, built-in tracking feature, Google also bought Urchin and re-branded as Google Analytics. Google Analytics is free, and perhaps as full-featured as the most premium conversion tracking tool, but if you use it, you are sending your valuable market data back to your source of traffic. That may work against you if they use your best converting terms and most frequent referrals to recommend keywords to your competitors. If you were Google and you sold traffic to multiple competitors, would you recommend my best words to my competitors?

Bid Management Software

There are automated software programs which will track your bids and change them multiple times a day so that you achieve optimal efficiency with your ads. These programs can do various things such as: list your site relative to another web site, bid to a maximum lead cost, or other similar functions. However, some of the major search providers are rendering some of these features useless, either through replicating them, or by obfuscating data. For example, if a search engine does not say what the bid prices are you can't bid jam competitors, and Google AdWords allows advertisers to schedule ad delivery time and bid to position.

The best part of bid management software is that good bid management software can allow you to dynamically change the bid price from price-per-click to other metrics such cost-per-action or ROI.

If you get big into pay-per-click search engines and are managing multiple accounts, it is worth using a bid management program to help save time and money. Currently, three market leaders in this field are BidRank (downloadable software), Keyword Max (hosted software application), and Atlas OnePoint (hosted software application).

Fraud Prevention Software

Most major pay-per-click search engines have fraud protection built into their system to protect the value of click prices. Google, for example, will allow you to see how many invalid clicks you had within the AdWords platform.

You should use your server logs to validate clicks if you are running a large campaign. Generally due to time overlaps and differences in reporting, it is considered acceptable to have an error up to 10%. If your error is much larger than that, be sure to notify the search engine.

If you have a good log file analyzer and understand how to use it, then you have no need for a fraud prevention tool, but these tools make it quick and easy to spot potential fraud.

If you believe your competitors are clicking your ads or you are investing heavily in a competitive market, you will want to take a look at additional fraud protection.

Two of the current leaders in the PPC fraud prevention software market are Who'sClickingWho and Keyword Max Click Auditor. VeriClix is a similar, but free, product. Other analytics companies, such as ClickTracks, have also been getting into the click fraud monitoring market.

Even if a competitor only clicks on your ads every few days, it still adds up over time. This software allows you to accumulate the evidence you need to reverse charges and potentially file a lawsuit, but you need to have a large enough spend to justify its cost, unless you are just doing it for publicity.

Earning (and Buying) Trust

Hidden Bids

Google has never offered an entirely open ad service. Yahoo! used to be more open, but as time passed they have become more closed off. If the advertisers do not know exactly how much they need to pay or who they are bidding against, and publishers do not know exactly what they are getting paid for, it is easier for search engines to adjust how much they are charging advertisers or paying publishers for matching them and removing market friction.

Noise is Relative

When Google AdWords was new they heavily relied upon affiliates to match merchants with market opportunities. As more merchants have become accustom to using AdWords, Google has got better at filtering duplicate offers and other affiliate noise out of their ads.

In an ideal market Google would prefer to deliver leads directly to the merchants. Affiliates who largely built Google into it's current market position may be considered little more than noise by Google in many markets today.

New Filters

As markets evolve the types of noise (affiliate, arbitrage, double dipping ads, dictionary attacks, deceptive ads, etc.) change and search engines must come up with new ways to protect the relevancy of their ads.

Google has blocked some forms of ads using a mixture of sophisticated algorithms and editorial guidelines, but they have also began to look at ways of pricing noise out of the market by discounted ads from trusted sources and charging new advertisers, unproven advertisers, or abusive advertisers premiums to be displayed.

Buying Trust Over Time

In much the same way that old domains may be trusted more in organic search results as they age and gain links, Google may trust proven advertisers more, and give them a discount for the trust they have built up.

Just by having an AdWords account, spending money, and not being abusive your ad account gains some level of trust.

Free Market Feedback

Google keeps collecting more and more market data using a wide array of data points along the supply chain. They can see relative changes in

- Brand awareness and search volumes and trends
- News trends and content production trends
- Number of advertisers, types of advertisers, bid prices and trends
- User acceptance via conversion data and their toolbar
- General trust based on the link graph and surfing trends via their toolbar
- Keyword relationships (based on AdWords accounts and text analysis of web content)
- Conversion data (via Google Analytics, Google AdWords Conversion Tracker, and Google Website Optimizer)
- Conversion data via Google Checkout

Each of these tools layered on top of one another add more value to how much value Google can extract by making their ad platform more relevant and more efficient. The tools that Google offer cost them next to nothing in regards to the value they help Google create by offering Google a clearer picture of the market.

Deception as a Filter

Google keeps collecting more and more market data using a wide array of data points.

Google calls the price offsets as something related to a quality score, but may even be offering a bit of misdirection in what they consider of high quality. They largely state that quality is based on relevancy and mention things like conversion rate and clickthrough rate, but how hard would it be for them to mix in usage data, link reputation, or other signs of trust into their quality algorithm?

If marketers are chasing the wrong data points it is going to be hard for us to manipulate Google's market.

Hidden Message

Google is even using their quality based minimum bids on syndicated contextual ads, aiming to pull noise out of their distributed ad network.

Google's hidden message is that they want to police the web, and they invariably are pushing to marginalize the profits of anyone who is making a good living without creating much real tangible value.

If the other PPC players are going to be able to compete with Google they are going to have to do it on margins, ad price, and relevancy. Filtering out noise and keeping their ads as relevant as possible is going to be crucial for people to keep paying attention to their ads.

Google Adwords

Google AdWords gets its own extremely long section because it is exceptionally more complicated and feature-rich than other PPC systems, largely because Google has been more innovative than competitors, and largely because Google wants to be the worldwide advertising platform. Consider the following:

- To get a lead in video distribution Google bought YouTube for $1.65 billion in stock.
- Google will unveil audio ads before the end of 2006.
- Google has tried to sell ads in newspapers and magazines.

Google vs. Yahoo!:

Google AdWords and Yahoo! are in a battle for search distribution. One of the two PPC services is distributed on nearly every major search engine or portal.

Google Bid Prices vs. Click Costs:

With Google you pick a maximum bid price and your click cost will never exceed that. Like all other major PPC providers, their software has a bid discounter built in, so your average bid cost will be less than your bid prices.

Google bid prices are not transparent so your competitors have no way to be sure exactly what your ads are costing (due to factoring in click through rates into effective bid price – which I will explain later).

A few Things you can do with AdWords:

Google AdWords is an advertising medium like no other.

- There is only a $5 signup fee (which is converted into bid credits).
- You can have ads across Google's network of sites with some ads appearing in less than 10 minutes.
- Google's broad match technology allows you to receive extremely broad distribution while keeping it quick, easy, and simple to use. Yahoo! and Microsoft now do this too.
- Google's vast distribution network makes it possible to test a business model without fully investing into creating that business.

> The best way to lower click cost is to create ads with a high click through rate.
>
> You should use the search words in the copy and make sure the ads are well targeted.
>
> If your product is only relevant to a small percentage of searchers then focus your ad copy on conversions instead of just click through rate.

- Google AdWords syndication allows you to reach AOL users, other searchers, and Google's vast content network.

- Google offers Geotargeting, so you can target your ad to a country, state, metro area, zip code, or geographic radius of your choice. Google allows you to preview local ad delivery using their local ad preview tool.

- You can run multiple ads for the same words and test them against each other or send them to different pages to A/B split test your site or ad copy.

- Google allows you to use a free multivariant testing software program called Google Website Optimizer to test landing page conversion potential.

The Importance of a High Clickthrough Rate:

Google lets searchers determine the relevancy of the ads. Price for Google AdWords is a function of click cost * click through rate (and, in some cases, a couple other mystery meat variables). I believe Google uses the average click through rate from the 1,000 most recent ads in this calculation, though for some markets with low search volumes they may use other quality indicators, like CTR for an ad group. This means if you know how to get a high click through rate you can dominate Google AdWords by serving up ads at a far cheaper rate than what your competitors are paying.

The following table gives examples of how the Google system calculates bid prices and ad positions. Observe how some low priced ads appear above high priced ads because they are more relevant. Also observe that actual click cost sometimes varies widely when compared to max bid price. Some clicks are at times expensive and at other times they are cheap. It is the average click cost that matters, since that is what you are paying. Max bid does not matter since sometimes it can widely depart from actual click price. For example, I have seen a $6.00 max bid which had clicks go for 77 cents.

Ad Number	Max Bid	CTR (relevancy)	Effective Bid	Ad Position	Actual Click Cost
1	0.40	5%	$2.00	4	$0.40
2	0.26	10%	$2.60	2	$0.26
3	1.00	2.53%	$2.53	3	$0.81
4	1.50	2%	$3.00	1	$1.31

Distribution buys further distribution. Off the start you will want to overbid slightly as you will be competing against the best ads that have developed over time in your niche.

The bid prices Google suggest are often somewhat high. I usually cut the suggested bid price by 20-50% when I first start an account. I then monitor closely and change it to try to maintain decent ad position and ROI.

Quality Based Minimum Bids:

In the past, Google had a five cent minimum bid price and only allowed ads to display if their Google click-through rate was above 0.5%, but in August of 2005, they shifted to quality-based minimum pricing.

This means that if your ad is deemed exceptionally relevant, you can get clicks for as low as one cent, depending on how competitors are bidding. If your ads are not exceptionally relevant, you will have to pay a higher minimum bid to make up for the lack of ad relevancy.

Google has been making their ad system more blackbox-like. They stated they may include landing page quality in their ad relevancy scores. In other words, we can't know exactly how it works, but they will create a system that optimizes for maximum internal revenue, while delivering value to trusted advertisers, and overcharging irrelevant or noisy advertisers. If they are vague about their exact ranking criteria, it will be harder for people to game the flaws in their ad system.

Ads which are disabled from search syndication due to low relevancy and bid price, still appear in the Google contextual ad program unless their quality score is too low to appear there as well. I describe syndication later on in the chapter.

The whole point of quality-based minimum bids is to squeeze the margins out of noisy ad campaigns.

Broad Match, Phrase Match, and Exact Match:

Google AdWords and Yahoo! both have different levels of word matching. Using [search term] will only return searches ads for the query **search term**, which is called exact match. Yahoo!'s exact match is a bit fuzzy, matching plurals and some common misspellings. Google's exact match is more precise, only matching the exact search.

Buying the keyword "search term" will show your ads for **any search that has 'search term' in the query** (in the same order), which is called phrase match.

Buying search term (no quotations or brackets) will show your ads on **any search that has 'search' and 'term' in it**. With broad matching, synonyms to search term may also display your ad. If you decide to start off with broad matching you should view the synonyms to ensure none of them are wasteful. This is especially true with acronyms or other terms with multiple well known meanings.

Google offers all three levels of ad control. Yahoo! offers exact match, and groups phrase match and broad match in a category called advanced match.

Examples	Match Type	Will Show Results For:	Will Not Show Results For:
[eat cheese]	Exact	eat cheese	any other search
"eat cheese"	Phrase	eat cheese; I love to eat cheese; you eat cheese	Cheese eat, or anything else which does not have both words together in the same order as the search term
eat cheese	Broad	All above options and searches such as: cheese eating; ate cheddar	

Google Ad Status:

If you do not understand something or are frustrated with something in particular feel free to ask at an SEO forum or ask your ad representative. Google AdWords has a blog (which does not want direct AdWords feedback), an online support center, and you can contact Google advertising via phone at 1 (866) 2 Google.

Due to trademark issues some ad copy will be rejected by the automated review. When that happens you can request an exception and the ad will get a human review.

Google usually runs most ads before they have an editorial review, but they review them before placing them on partner sites. I have seen long review times in excess of a few days for Google site targeted AdSense ads.

Ads on Google.com have two states: active or inactive. If an ad is inactive you can make it active by bidding higher. Google also has an ad diagnostic tool which states what needs to be done to make each word active.

Google Keyword Suggestion Tool:

The Google Keyword Tool (https://adwords.google.com/select/KeywordToolExternal) estimates search volume, trends, and advertising competition. You can enter keywords to analyzer or they can extract relevant keywords from a given web page.

The Google Traffic Estimator Tool (https://adwords.google.com/select/TrafficEstimatorSandbox) roughly estimates the price required to rank #1 on AdWords 85% of the time and the traffic you could expect to get from Google AdWords for a given bid.

Google offers a search term suggestion tool by the name of Google Suggest which auto-completes partial search queries. It does not show search volumes, but search volume plays a heavy role in its output order. The tool is currently only available in some languages. Many Google Toolbars have this feature enabled.

Negative Keywords:

There is a negative keyword option in both Yahoo! and Google AdWords. Any word that you do not want your ad to appear for can simply be blocked by placing "-badword" beneath your keywords.

There are many words which would indicate a lack of desire to purchase anything. Words like *crack, free, wallpapers, pic,* and *mp3* are often money losers if you do not remember to include these in your negative keyword list.

Following is an example keyword list showing a negative keyword: (should be much longer and more detailed, this is just an example)

```
eat cheese
buy cheese
-free
```

Thus, your ad would show up for many cheese queries, but for none that included the word *free*. Google also allows you to filter negative keywords at a campaign level.

Getting Feedback from Your Account:

When opening up a Google AdWords account many people are hesitant to spend much money. In spending a small amount the business is essentially ignoring the feedback loop Google has set up.

Is it better to lose $100 today, than to lose it over three months to finally come to the conclusion that you need to change? I would rather want to know that I need to change now. **Not all industries or business models will make money from AdWords.** It is not a business model that will work perfectly across the board.

If you spend on targeted keywords your site should have a chance for success. Any marketed internet based business should leverage fast feedback loops to help it improve. Off the start you want to overspend on your ads so you can see which ones are effective. After a while you can regroup your ads by prices and then slash your bid price down. The ineffective ad groups or keywords will be disabled due to quality based minimum bids and the winners will keep displaying.

Google Advertising Professional:

The Google Advertising Professional program is a program which allows marketers to be certified as a Google AdWords expert. The requirements are that you spend at least $1,000 in a 90 day period after signing up, comply with their rules, and pass an online test. After the 90 day period is up you can place a logo on your site which will perhaps make many people assume that Google endorses all of your SEO / SEM services.

This program also allows you to link together up to 500 AdWords accounts so that you can access and manage them from a single login. Google also offers many free online tutorials which can help prepare you for the test and help you learn more about AdWords even if you do not want to take the test.

Google AdWords is Responsible Advertising:

Add all the above features to the fact that Google also offers a free web based conversion tracking tool, and you can see how the AdWords system is a direct marketers dream. Everything is targetable, tangible, and measurable right down to the cent.

Google also offers a program by the name of Google JumpStart where they will help set up your account for you. Likely they will not be able to set up the best account for you, but they might be able to help you get your feet wet. The fee to join JumpStart is $299, and the fee gets converted to bid clicks.

Keep in mind their goal is to have you spend money, which may not necessarily have targeting the best ROI or best keyword buys in mind. Search engines would prefer that merchants get in bidding wars over a select small set of terms and miss out on some of the cheaper terms.

Bonus Info: How to Improve Clickthrough Rate and Slash Google AdWords Costs to Maximize Profits:

Determine Price By Position:

The top ad position sometimes loses money. To find out what the top position costs on Google AdWords you use their Traffic Estimator tool without entering a bid price. This price will roughly equate to the bid necessary to rank #1 for 85% of search queries. Keep in mind that since their factor in CTR ads which get a low CTR will need to pay more while ads with a high CTR not cost as much per click.

In mid 2006 Google created a bid to position feature, but typically it is best to use prices to control your position. If you find that the top 2 or 3 positions are cost prohibitive, but positions 4-7 work great then you can bid high enough to where you would normally rank in one of the top few positions and then use the bid to position feature to limit your exposure.

Determine how Competitive a Market is:

Markets may shift quickly. If you notice certain ads appearing again and again over time, they are probably ads that are generating profits. For a quick glance at how competitive a market is you can look at the estimates in the Google Keyword Tool.

You may also want to record the top 10 results every few days for a few weeks to up to a month. If an ad is in around the same position (which is not from a huge corporation) after a month has passed they are probably earning profits.

Listing Your ads on Top of Google Search Results:

While lower ad positions may have a better ROI in some markets they also may not provide adequate distribution to create significant profits. Google AdWords may list the top 1 to 3 ads above the regular search results (versus off to the right side like most other AdWords ads). The top ads usually have a high click through rate which helps lower click costs.

The ad position on the Google SERP right column is determined primarily by the equation max bid times ad click through rate. Before an ad can appear on top it has to be reviewed by a human and the ad has to be deemed extremely relevant. Relevancy is closely approximated by click through rate, so the ads which display

above the Google search results factor in click through rate more heavily than max bid.

If you get an ad which is placed above the search results and edit it, your ad may take at least a few days appear back in a top position.

Find the Best Products:

If you see a lot of affiliate ads then typically there is a dominant player or system in that keyword termspace. You may want to try purchasing your competitors product to see the whole sales path all the way through to the backend.

If there are more non affiliate ads than affiliate ads odds are that there is no dominant player / system in the marketplace yet.

Checking Broad Match, Phrase Match, & Exact Match:

Using exact match may drastically improve click through rates. To determine if a person is using exact match do a search for
keyword A adfkafdjsadf keyword B

If their ad still shows up they are using broad match.

If their ad does not show up for broad match check *keyword A keyword B dfadfkadfa.* If it shows up for this check they are using phrase match.

If their ad does not show up for the phrase match, then they are advertising via exact match. Any time you are checking competitors' ads you will want to refresh the screen multiple times as sometimes certain ads rotate in and out of the system.

Keep in mind you can use different bid prices to bid on all matching variations at the same time.

Extreme Local Targeting:

Google will allow you to target your ads to:

- any zip code or metropolitan area
- a radius near your business
- the defined coordinates of any polygon you enter

Using Syndication:

Google has various levels of ad syndication explained in the below chart. Google.com is part of all search ad delivery options. You may chose to deliver content ads in conjunction with search ads by setting up separate content bids, or you may wish to deliver some ads just to the content network.

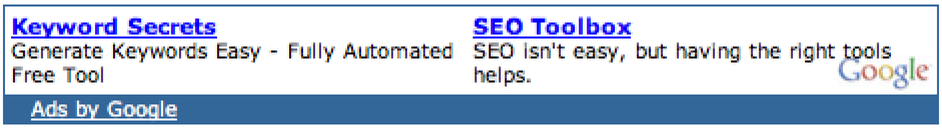
Syndication Type	Where Ad is Shown
Google	Google.com
Search	Google.com + AOL, Earthlink, and other search sites
Content	many contextual AdSense partner sites
Site-targeted branded content CPM	whatever sites you pick; charged per impression

If you set up ad syndication you can bid separately on content ads. Bid whatever you determine to be fair market value for the Google AdWords distribution and then bid a separate lower value for content ads.

Some people like to use different campaigns or ad groups for content and search ads so it is easier to track the R.O.I. Some terms convert far better on search than content, and if these stats are blended it may be harder to notice the trends at a quick glance.

On some occasions it may make sense to make content only ads if you are trying to increase branding without spending a significant amount of money. Content ads are generally clicked on at a much lower rate than search ads.

In some rare cases content ads are worth more than search ads, but in most cases there is not as much implied buying demand when a person reads an article about a subject as when they are actively searching about that topic.



With your content ads you may also want to try using image ads to lock out competition from being able to advertise against you. Some ads disabled from search distribution due to low click price and low relevancy still may appear in the content network.

In November of 2006 Google started allowing advertisers to bid not only on specific sites, but also on specific AdSense channels, so if publishers are using different channels for different parts of a page you may want to bid on the ad unit which most closely fits your goals.

Syndicated ads do not appear on partner sites until they are approved by an editor. Many ads appear on Google.com prior to editorial review.

How Google Determines AdSense Relevancy:

Google reads the content of AdSense publisher webpages to determine what their pages are about. When attempting to match ads with those pages Google considers:

- Not a single keyword, but the entire keyword list associated with an ad group.
- You want to use well themed keyword adgroups to help ensure your ads are delivered properly. Including generic words like computer can

make it harder for Google to understand what your adgroup is trying to sell.

- Textual Adgroup creatives are also used to help understand what ads to display.
- Max PPC and clickthrough rate play into the order of the ads displayed.
- Using appropriate campaign negative keywords can also help further target your ads.
- Google offers effective contextual advertising tips in this free 9 minute video.

Google AdSense CPM:

Most AdSense publishers do not make an exceptional amount of money for publishing AdSense since the ads do not usually have a high click-through rate. To help compensate for that, and to make AdSense more appealing to large traditional media buyers, Google also sells AdSense ads on a C.P.M. rate.

Advertisers can buy ads on off-topic sites for branding, but they have a 25 cent C.P.M. minimum, and will have to compete with the revenue earned by other advertisements, which could drive the price much higher. This will eventually cause people to significantly bid up the ads on some of the larger & more important AdSense partners.

Large publishers who do not want to compete with Google selling direct ads can optionally turn off the C.P.M. feature.

C.P.M. ads can also be targeted to a specific page or section if an advertiser does not want to buy ads across an entire site.

A good way to get your ads syndicated to content sites you want to be on without being forced to pay C.P.M. rates is to bid on common page text or names of sites you want to be on and only enable that ad to be displayed on the content network. That should roughly let you target some of your favorite sites and still only pay when people click on your ads.

Google also allows you to target AdSense site targeted ads via demographics data.

Losing Small Money on Contextual Ads:

Sometimes it makes sense to lose a bit of money on contextual ads. In some cases you can get around 5 or 10 million ad impressions for around $1,000 or so.

Those ad impressions give you a brand lift and may cause increased search volume for your brand, which you may later convert on. Just make sure you do

not bid so much on contextual ads that click fraud becomes appealing or your ads start getting syndicated to loosely related sites just because your bid price is so high.

Filtering Junk AdSense Clicks:

Click fraud is a huge issue. Google now allows you to filter out sites that you do not want to advertise on. If a site sends you significant traffic that does not convert you can block your ads from appearing on their site.

This tool, which I have not yet tried, tracks which sites your AdSense ads are appearing on. Sometimes low quality scrapper sites actually convert well since people only find them via search and immediately click an ad while still in search mode. You can't determine how well a site will convert without tracking it, although if you are getting a ton of clicks and suspect fraud then it is best to block the URL.

If you enable content syndication (displaying your ads on AdSense) make sure you filter out regions which have notoriously high click fraud (India and most of Asia) unless you are trying to target those regions.

Why Lower Ads Often have Better ROI:

The lower ads have a lower bid price, which can help save money if the top placed ads are overpriced. Another great benefit of having a lower ad is that a user that scrolls down the page to click is more prequalified to make a purchase. By scrolling through a bunch of ads they have displayed a greater intent to make a purchase.

These two combine such that listing lower often provides a better ROI than listing at the top. If the top ads seem too expensive you may need to test the profit elasticity for your market to see what ad locations will return the highest overall profits.

Lowering Click Price after Bidding:

After you get 10 or 20 clicks and have a decent click through rate you may want to slash your bids in half or by 2/3. Often it is best to start off with your ad near the top to collect feedback and then let it fall back after you drop ad price.

Instead of lowering your bid all at once lower it slowly over time and monitor your ad rank position as indicated in the AdWords interface.

Expanding Breadth:

If you are running your ads correctly the **availability of well targeted ads** should be what is limiting your spend.

If your ad spend is limited by a budget and you are ranking high for many of the search terms lower your max bid to lower the position down to 3 to 7. In doing so you will be able to show up on more search results and people who are looking at the lower ad positions are more pre-qualified to buy.

Dynamic Keyword Insertion:

If you have a group of similar keywords that could still use the same body text you can enable this feature by writing out your normal body text, and placing {KeyWord: default keyword} in the title of the ad.

When the keyword matching the search is greater than 25 characters the default ad title will show. Otherwise the ad will show the search term as the ad title. Also note how I capitalized the K and W in keyword. This makes the words in your ad title appear capitalized.

Having keywords in your title can help your title jump out at people and improve click through rates.

Google now also allows you to pass the referring keyword trigger as a variable in the actual destination URL. To pass the trigger keyword as a variable use &kw={keyword}. You can also track whether the clicks came from Google content ads or Google search ads by adding the following to your URL referrer={ifsearch:GoogleAdWordsSearch}{ifcontent:GoogleAdWordsContent}.

Use Keyword Rich URL's to Your Advantage:

Often people view the URL as one of the most important parts of an ad. The ad title sticks out the most, but many people factor in the URL more than the copy. By changing your URL to a keyword rich URL you can sometimes raise your click through rate by 50 – 200%. A new throw away domain name only costs $8 at GoDaddy.

Bid on Competitors Names or Products:

I believe this is illegal in France (and maybe some other areas), but trademark laws still have not been firmly set in this field in the US. Unlike Yahoo!, Google allows US and Canadian advertisers to bid on trademark names of their competitors. The competitors trademark names may not appear in the ad, but they can be used as the ad trigger word. I can tell you from personal experience that these terms are often super cheap and convert well.

If you use competitor names as the triggering word then you need to group that in an ad that is not using dynamic keyword insertion or your ad title will put you in trademark violation.

Keep in mind that since the laws are gray in this area you may run into some problems if you push the envelope and do not respond to complaints. I believe in the US trademark owners are required to inform you of the problem and give you a chance to fix it before they have a chance to sue you for damages (whether or not they can sue you is still somewhat up in the air).

I did this particular technique and ticked off about a dozen SEOs who made a few hate threads in forums. I primarily was looking for AdSense ad space in articles, but some SEOs offered nasty comments about the technique (although it is a rather common technique).

You may want to ask people before using their names if you think they may take it the wrong way. Another good way to appear on many content sites is to run your ads on phrase match for some of the more popular article titles in your industry.

A way to avoid the controversy associated with bidding on competitors names is to only bid on their names on content matched ads (ie: disable search ads in the ad groups focused on competing products).

Viewing Geographically Targeted Ads:

You can target ads to a specific country. If you are not in the country you will be advertising in you can view the country specific ads by adding &gl=country code to the search string (ca for Canada, US for United States, UK for United Kingdom, etc).

If Google is mixing in state regional ads, it will list the state name at the bottom of the ad.

Geotargeting can allow you to afford words which may be broader than your globally effective keywords since geotargeting only delivers ads to locations you are interested in advertising.

You may want to break your ads down by different price levels by country codes. One of my friends nearly doubled his ROI by placing ads from low converting countries in their own cheaper ad groups.

Google also offers a free AdWords Local Ad Preview tool to show what ads will appear on search results in different areas.

Sending Users to a Landing Page:

The conversion process works best when you remove unnecessary steps. By sending a user to a focused landing page versus your home page you should improve conversion rates.

Use Capital Letters:

Google will allow you to use capital letters at the beginning of words in the title and in the description. Using capital letters at the beginning of each word in your ad title and ad description may help boost your clickthrough rate. Most people do not capitalize short words like *an*, *or*, and *a*.

Split Testing:

Google will allow you to test multiple ads at any given time. Every week or month you might want to try to make a new ad and place it up against the best prior ad. If you have an ad that is getting an exceptionally low click through rate and another pulling decent you can usually get rid of the bad ad after a few clicks on it, but it doesn't hurt to let these ad tests run long.

Perry Marshall created a free online Split Testing tool which will help guide you using mathematics to determine whether or not you have collected enough data do stop

testing. He said he usually recommends waiting until it is at least 90% to 95% sure of the results (as determined by the software).

You can also make two copies of the same ad and send it to different URLs to test different landing pages. Google also offers a free multivariant landing page testing software program called Google Website Optimizer.

When split testing you will want to turn off the auto optimization tool and you may want to limit the test only to Google so you can get the most accurate data.

More Advanced Ad Testing:

I do not work with large enough accounts to have put extreme effort into some of my tracking, but a few other ad testing options are:

- **Split Testing:** explained above, but you can keep doing split testing over and over again, creating smarter and smarter ads

- **A/B/C testing:** make two identical copies of one of the ads and compare it to another. Run until the CTR of the same ads are nearly identical and then compare that rate to the other ad.

- **Quadrents:** use two title sets and two description sets which make 4 ads. Leave them unoptimized and run the AdWords account until a clear leading ad is found.

- **Taguchi Method:** a bit complex for this guide, as I have not deeply researched it and most people probably will not use it, but the Taguchi Method allows you to set up a large matrix of variables and determine what the best combinations are using advanced mathematics and minimal testing.

If You Are Having Problems with a Word:

For your highest traffic and most expensive keywords you will usually want to make custom ads groups or ad campaigns specific to each one. If you have a word that is giving you problems in an ad group, remove it from the ad group and set it out on its own.

Off the start, you can try to exact match it as well. If you try multiple exact match specific targeted ads for that keyword and still can not get it to run profitably, then that might not be a word worth running an ad for, or maybe you can save it as a word worth trying again later down the road.

Cheap Traffic:

Some AOL users have type search term here in their search queries. Some of them accidentally run the word here into their search term, such as *hereViagra* or *hereYourTerm*. Some people search for stuff like NBA Basketball**.com**. There is a ton of cheap targeted traffic if you are creative.

Affiliate Ads:

Google only allows one affiliate or merchant ad per keyword per URL. This means that whoever has the ad with the highest effective price (CTR * max bid) between the merchant and all of their affiliates gets their ad displayed.

Affiliates can still have their ads show up if they create white label affiliate sites with information about the products.

Creative PPC Techniques:

Mikkel wrote a few good ppc tips in this article. A few pointers he offered were:

- Think creatively.
- Do not point P.P.C. ads directly at landing pages. Instead, use intermediate pages. This way you can redirect the ads to a page with new sales copy without needing to change the ad URL.
- You may be able to cloak pages that the ad editors see.
- Do not use the budget function. Your budget should be determined by the amount of relevant profitable traffic you can buy.

Someone at ThreadWatch also mentioned that some of your most creative AdWords ad ideas might be best to try out on a Friday evening so that they may be able to run a full weekend before being spotted by an editor.

If you have the top premium AdSense position and also rank well in the organic listings you can help bump the #2 premium ad position down to the right rail if you edit your copy. It may take up to 3 days for an editor to read your new ad and raise both ads to the top of the results again.

Getting Quicker Business Feedback:

When starting a B2B account it is a bad idea to start an account on a weekend since there will be few buyers over the weekend. Monday is usually the biggest spending day for most B2B purchases and is the best day to start your ads.

Lead generation may be a smarter way to dive into Google AdWords than trying to sell affiliate products. Since it is common to have a lead generation rate of 10-20% the feedback loop is about 10 times as fast as selling a product that may convert at 1-2%.

Google AdWords Competitive Analysis Software:

Google does not give its users tons of information about competing sites. Recently a couple software products hit the market which ping Google and determine the ad display rate and average ad position for your ads and competing ads. You can use this information to see which competitors are most sophisticated and what positions have the most competition and perhaps profits.

AdArchiver is a cheaper lower end product. AdGooroo is a higher end more sophisticated system. Google also released an API which allows people to build similar interfacing software. SpyFu and KeyCompete both allow you to glimpse a list of keywords some competitors bid on.

Bidding on Your Brand (Important):

If you rank at the top for your brand name should you also buy the associated ad? My answer is usually yes for the following reasons:

- You can control the branding statement on your ads. You may not be able to do that with your regular listings.
- You can point people at your landing pages or make special offers with the ads. Usually your home page ranks in the regular listings.
- If you are not advertising there then your competitors may be.
- If the top ranking ad is from the same site as the top ranking regular result then more people may click on your regular result.
- If you have affiliates make sure you are not getting in bidding wars with them. Create a consistent affiliate marketing plan that makes sense.

Creating Ad Groups:

- Your most competitive or most important terms should usually be in their own ad groups (or perhaps ad campaign) so they are easy to monitor and so you can write ad copy that is precisely targeted to those terms.
- You may want to create a group for misspelled terms.
- You may want to create a group for mistyped domain names.
- You may want to create ad groups based on personality types.
- You may want to create ad groups for your most important products.
- You may want to create ad groups for seasonal or special promotions.
- Some people also use different groups for contextual ads due to different ad value and the desire to use different ad copy.

There are many ways you can split up your account. By creating and tracking various ad groups it makes it easier to monitor your return on investment, and adjust you're your ad spend accordingly.

Deep Keyword Research:

Using deep keyword research is hugely important.

Yahoo! Search marketing places exact matches ahead of broad matches, so if your competitor bids $2 for widgets and you bid 11 cents for buy widgets when people search for buy widgets your ad may list above your competitors ads even though your ad is a lower price. This allows you to get more targeted clicks at a lower price, which increases your advertising return on investment.

There is something to be said for simplicity and ease of management, but using targeted permutations of your most important terms should drastically increase your ROI.

With Google AdWords they allow dynamic keyword insertion (mentioned above), that allows the search query to drive the ad copy. That increases your chances of having a higher clickthrough rate and lowering your cost per click if you bid on many variations of your most important Google AdWords keywords.

Below is a chart of some example term ideas (with the words slightly modified) and the associated conversion data from an actual AdWords account. Notice how the cost per conversion drops off when modifiers are added to the root term. By bidding on these additional keyword phrases I am paying less for higher targeted leads.

Keyword Phrase	Cost Per Click	CTR	Conversion Rate	Cost Per Conversion
abc tires	$0.77	7.8%	1.86%	$41.37
abc car tires	$0.64	10.9%	1.92%	$32.96
[abc tires]	$0.75	10.1%	2.32%	$32.01
abc sports tire	$0.74	12.4%	2.91%	$25.29
abc tire co	$0.59	15.1%	2.70%	$21.73
[a b c tire company]	$0.56	**38.2%**	11.11%	$5.03
abc tire products	$0.74	17.3%	**22.22%**	**$3.30**
misspellings	**$0.21**	3.6%	1.82%	$11.37

Adding modifiers will split up the traffic volumes to make some terms seem more profitable than they are and make other similar permutations seem less profitable than they are. The math from the above campaign was compiled over a year with hundreds of thousands of ad impressions to help smooth out some of the discrepancies.

You have to consider the cost of building and managing the account when building out your keyword list, but I tend to like using various matching levels and modifiers on my most important keywords.

Pay Per Call:

Google has started testing pay per call. To some businesses pay per call will not have much of an effect, but high end local based businesses (legal, loans, real estate, etc.) will find their competitive landscape drastically different in the next year.

http://www.google.com/help/faq_clicktocall.html

Google Checkout:

Google is trying to become a leading payment processor to help make their ad market more efficient, gain more market research data, and create another revenue source.

AdWords advertisers who accept payment via Google Checkout have their AdWords ads highlighted, which may cause them to have a higher clickthrough rate, and thus offer more targeted traffic and a better ROI.

Additional AdWords Resources:

- Google offers a free ebook to help you get the most out of your Google AdWords account.

- Andrew Goodman's Google AdWords report.

- Perry Marshall's Definitive Guide to Google AdWords.

- Greg Heslin's Google AdWords 123

- Google Advertising Professional Program https://adwords.google.com/select/ProfessionalWelcome

- Google's learning center http://www.google.com/adwords/learningcenter/

- Many of the Google AdWords tips I learned came from Andrew Goodman's and Perry Marshall's reports.

Microsoft AdCenter

Microsoft fully launched adCenter on May 4th of 2006. Their system, like the other major PPC providers, factors in both cost per click and click-through rate into their ad positions.

Microsoft adCenter will operate much like Google AdWords but also allows:

- search bidding based on demographics details; and
- has limited search distribution, which means their campaigns will be relatively small

- has limited search ad syndication, which means their traffic quality will be relatively high
- has few advertisers in the system, which should make some markets artificially cheap

Given Microsoft's newness to the field and small search market share, one would expect that some of their traffic might be highly underpriced. Microsoft is still in the early stages of development on adCenter.

Like Google, Microsoft offers dynamic keyword insertion, but Microsoft also allows you to use one dynamic insertion to drive other ad copy offers.

Keyword	**Dynamic text parameters**
sedans	5% off
SUVs	7% off

When you are ready to build your ad, you can enter "All {keyword} {param2}" as the ad title. When a user queries *sedans,* the ad that appears will be "All sedans 5% off." You can also use {param1} to drive ad URLs.

Microsoft also announced the purchase of the analytics company, DeepMetrix. They stated that eventually some of their software will be upgraded and integrated into the Microsoft adCenter platform.

While MSN Search has roughly 10% of the U.S. search market, you can expect that number to increase in the coming year largely for the following reasons:

- IE7 will be packaged as a forced Windows software upgrade near the end of 2007. In the next version of Microsoft's Internet Explorer browser, search will be integrated into the browser.
- They may also integrate web search into the operating system.
- Some companies like Amazon have dumped Google in favor of Microsoft.

Visit https://adcenter.msn.com/ to sign up for adCenter or http://advertising.msn.com/microsoft-adcenter/faqs to find answers to common questions, or http://adlab.msn.com/ to try some of Microsoft's ad tools.

Resources Cited

Literature:

- MarketingSherpa's Landing Page Handbook (http://www.sherpastore.com/store/page.cfm/2182)

- Yahoo! Advertiser Workbook: (free) (http://searchmarketing.yahoo.com/rc/srch/eworkbook.pdf)

- Google's Maximum Effect Guide (free) (http://www.google.com/ads/library/maximimum_effect_dec03.pdf)

- Andrew Goodman's 21 Way AdWords Report (http://www.page-zero.com/products_asroi.asp?hop=awall19)
- Greg Heslin's Google AdWords 123 (http://awall19.123sale.hop.clickbank.net/)
- Perry Marshall's Definitive Guide to Google AdWords (http://www.1shoppingcart.com/app/aftrack.asp?afid=145107)
- Google Advertising Professional Program (https://adwords.google.com/select/ProfessionalWelcome)
- Google AdWords Support Center (https://adwords.google.com/support/)
- Google AdWords Blog (http://adwords.blogspot.com/)
- Google's learning center (http://www.google.com/adwords/learningcenter/)
- Google click to call (http://www.google.com/help/faq_clicktocall.html)
- Black Hat PPC (http://www.e-marketing-news.co.uk/Mar05/black-hat-ppc.html)

Software:

Customer Tracking & Bid Management

- ClickTracks - log file analyzer...awesome (http://www.clicktracks.com/entrypoint.php?a=24688)
- Google Analytics – free analytics software, but if you send it you are sending your traffic and conversion information to Google (http://www.google.com/analytics/)
- Index Tools – web based tracking software (http://www.indextools.com)
- WebSideStory – (http://www.websidestory.com)
- ConversionRuler pay per click tracking (http://www.conversionruler.com)
- Extreme Tracking - free tracking software (http://extreme-dm.com/tracking/)
- SiteMeter - free tracking software (http://www.sitemeter.com/default.asp?action=newaccount)
- BidRank - downloadable bid management software (http://www.bidrank.com)
- KeywordMax – web based software (http://www.keywordmax.com)

- Atlas OnePoint - web based software (http://www.atlasonepoint.com/?afid=gtazf411821)

- Google also offers a free cross platform tracking product with AdWords which can track email ads, banner ads, and various PPC search engine ads.

- Google AdWords offline ad editor – for invited beta participants only (http://services.google.com/adwordseditor/)

Fraud Prevention Software

- Who's Clicking Who (http://www.whosclickingwho.com/)

- Click Auditor (http://www.keywordmax.com/click_auditor.html)

- Vericlix – free (http://www.vericlix.com/)

- Track which pages your AdSense ads appear on (http://www.apogee-web-consulting.com/tools/track_google_content_ads.html)

Keyword Suggestion Tools

- **SEO Book Keyword Research Tool:** cross references the Yahoo! Search Term Suggestion Tool, the Yahoo! View Bid tool, and all the Google keyword research tools. (http://tools.seobook.com/general/keyword/)

- Google Keyword Suggestion Tool (https://adwords.google.com/select/KeywordToolExternal)

- Google Traffic Estimator (https://adwords.google.com/select/TrafficEstimatorSandbox)

- Google Search Suggestion (organized by search volume) (http://www.google.com/webhp?complete=1&hl=en)

- Yahoo! Keyword Suggestion Tool (http://inventory.overture.com/d/searchinventory/suggestion/)

- Yahoo! View Bid Price Tool (http://uv.bidtool.overture.com/d/search/tools/bidtool/?Keywords=casino&mkt=us&lang=en_US)

- Digital Point Keyword Suggestion Tool (http://www.digitalpoint.com/tools/suggestion/)

- Keyword Discovery (http://www.keyworddiscovery.com/)

- Good Keywords (http://www.goodkeywords.com/)

- Keyword Typo Generator (http://tools.seobook.com/spelling/keywords-typos.cgi)
- KeyCompete – lists keywords that competitors are buying on AdWords (http://www.keycompete.com/)
- SpyFu – lists keywords that competitors rank for or are buying (http://www.spyfu.com/)

Keyword list creators

- Free web based (http://tools.seobook.com/keyword-list/)
- Free downloadable software (http://www.googedit.com)
- $50 downloadable software (http://www.thepermutator.com)

AdWords Competitive Analysis Software

- AdArchiver – cheaper competitive analysis software. (http://www.adarchiver.com)
- AdGooroo – more expensive and more sophisticated software. (http://www.adgooroo.com/)
- Google AdWords API (http://www.google.com/apis/adwords/)
- Google Local Ads Preview Tool (http://adwords.blogspot.com/2006/09/view-where-your-ad-is-showing-around.html)
- Google Website Optimizer (http://services.google.com/websiteoptimizer/)

Websites:

- ZoneEdit (http://www.zoneedit.com)
- Split Tester (http://www.splittester.com/)
- Yahoo! Search Marketing $10 Signup Bonus (http://www.qksrv.net/click-1369346-9837879)
- Google Contextual AdWords Tips (http://www.google.com/adwords/context/webinar/1971/index.html)

Large Pay Per Click Search Engines

- Google AdWords (https://adwords.google.com/select/main)
- Yahoo! Search Marketing (http://searchmarketing.yahoo.com/) Video previewing the new Panama platform (http://searchmarketing.yahoo.com/rc/srch/tu_htnya.php)

- Microsoft AdCenter (https://adcenter.msn.com/Default.aspx)
  Microsoft's tools (http://adlab.msn.com/)

Smaller Pay Per Click Search Engines

- Click River (http://clickriver.com/) – sells search and contextual ads on Amazon.com.
- Ask (http://sponsoredlistings.ask.com/) – Google AdWords ads also appear on Ask
- Business.com (http://www.business.com)
- Miva (http://www.miva.com)
- Kanoodle (http://www.kanoodle.com)
- Enhance Interactive (http://www.enhance.com)
- 7Search (http://www.7search.com)
- Findology (http://www.findology.com)
- Search123 (http://www.search123.com)
- Epilot (http://www.epilot.com)

Some Notes

- Sign up for a Google AdWords account (one time $5 fee which is converted into bid credits) (https://adwords.google.com/select/main)
- Write down 5 generic terms for your website. If your business is local remember to search for local words. Check the traffic for these terms using the Yahoo! Keyword Suggestion Tool. (http://inventory.overture.com/d/searchinventory/suggestion/)
- Search for these terms and view how much people are bidding using the Yahoo! bid price tool. (http://uv.bidtool.overture.com/d/search/tools/bidtool/?Keywords=yourkeyword&mkt=us&lang=en_US)
- Do the words seem like they are worth their price? Do these prices or search volumes surprise you?
- Check the price of these same words with your Google account. Are these prices close to one another?
- What type of searchers would you like to avoid? Write down 5 negative keywords for your site. Why are these words bad?

- Write down 10 specific phrases that describe your business (think of problems you solve, not just your core keywords). Check the prices and search volumes.
- Are these generic terms? If they are generic write down ten more terms and compare their prices.
- Before spending large sums of money on pay per click you should spend hours writing ad copy and many hours performing keyword research.
- If you intend to spend heavily on Google AdWords you may want to read the additional reports I linked to. You only need to find one or two good tips from a different perspective for those reports to pay for themselves.

If you are interested in learning more about improving you organic SEO rankings, increasing your traffic, and a holistic marketing approach buy The SEO Book.

It will help you learn all about

- **Keyword research;**
- **Choosing a search engine friendly domain name;**
- **Placing keywords in your page copy;**
- **Website submission;**
- **Link building techniques;**
- **Effectively using the best SEO tools;**
- **Tracking your progress;**
- **and many other important SEO topics.**

Best of luck with your ads, your site, your career, and your life.

- Aaron Wall